GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:386
ANSWERED ON:16.07.2002
DISINVESTMENT OF NALCO
RENUKA CHOWDHURY

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have received any request and objections from the Government of Orissa in regard to disinvestment of National Aluminium Company;

(b) if so, the details thereof and the reasons for over looking the same; and

(c) the progress made so far in disinvestment thereof, indicating the norms adopted in arriving at the decision for disinvestment and the extent thereof?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE)

(a) & (b) The Chief Minister of Orissa has written to the Prime Minister in respect of disinvestment in NALCO. He has highlighted, inter alia, the importance of NALCO, its performance record and suggested that, on efficiency considerations, there is no reason at present to hasten the process of privatization of NALCO. The Ministerof Disinvestment has replied to the Chief Minister conveying the decision of the Government for disinvestment in NALCO and explaining the rationale behind it.The decision for disinvestment in NALCO has been taken in accordance with the declared policy of the Government for bringing down the Government equity to 26% or below in all non-strategic PSUs, in the generality of the cases.Decision to disinvest in NALCO has been taken after consideration of all relevant factors through prolonged inter-ministerial consultations.

(c) The disinvestment process in NALCO has been initiated and is progressing well. The Global Coordinator-cum-Advisor and Joint Global Coordinator for assisting in the disinvestment process have been appointed. Out of 87.15% equity held by Government, the extent of disinvestment is 10% through domestic issue. 20% through ADR and 29.15% through strategic sale, reducing Government equity to 26% after reserving 2% for employees.